



# Commercial Opportunities in China's Offshore Oil and Gas Sector

## U.S. Industry Experience & Perspective

Joe Ash, Vice President and General Manager  
International Division, Devon Energy Corporation

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# Investor Notices

## Safe Harbor

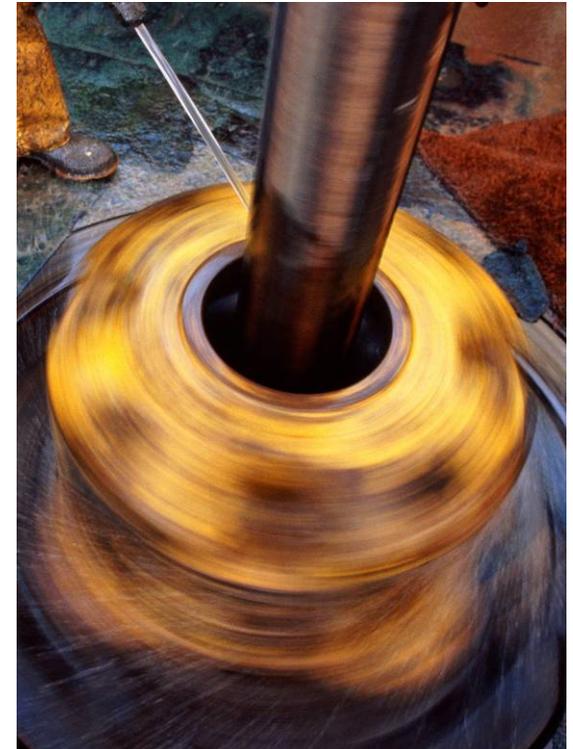
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## Cautionary Note to U.S. Investors

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. In this presentation we may use certain terms, such as resource potential, reserve potential, probable resources, possible resources, contingent resources, prospective resources and exploration target size. The SEC guidelines strictly prohibit us from including these terms in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 8-K, File No. 001-32318, available from us at Devon Energy Corporation, Attn. Investor Relations, 20 North Broadway, Oklahoma City, OK 73102. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

# Devon Today

Proved reserves (12/31/07):	≈ 2.5 Billion BOE
Current production (Q4 2007):	≈ 632 MBOED
Oil & gas sales (Q4 2007):	50% gas 50% oil & NGLs
Production profile (Q4 2007):	92% North America
Reserves / production ratio:	≈ 11 years
Enterprise value:	≈ \$52 Billion



Largest U.S.-based independent oil and gas producer

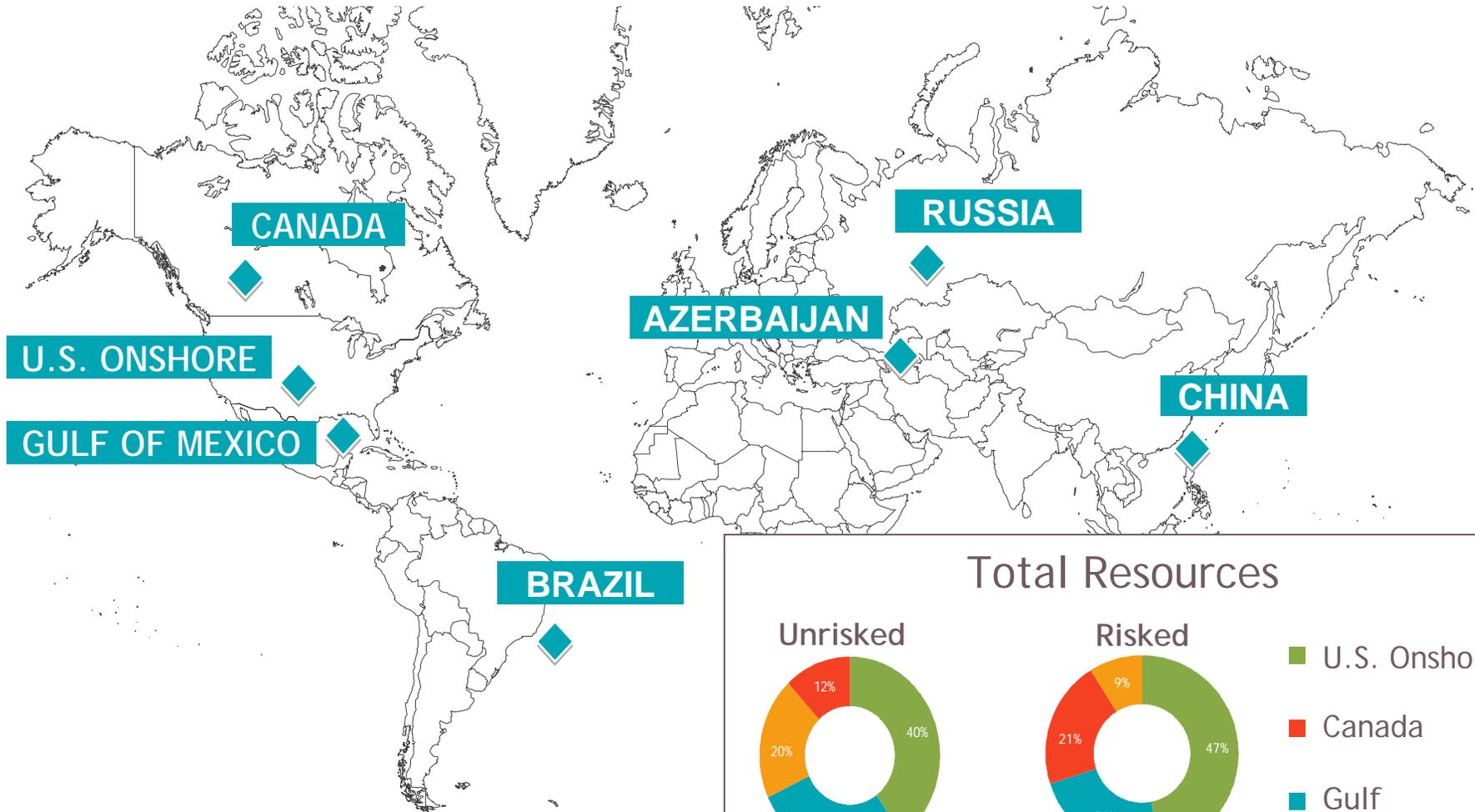
# Operating Strategy

- Optimize near-term growth through development of low-risk property base
  - Large individually-significant projects
  - Principally North America
- Provide long-term growth opportunities through investing in high-impact projects

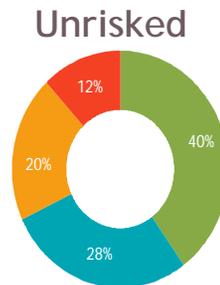


Balanced investments yield sustainable growth

# Devon Operations Worldwide



## Total Resources



24.1 BBOE



10.8 BBOE

- U.S. Onshore
- Canada
- Gulf
- International

# Brazil Exploration



Exploring on 11 licensed blocks  
(6 blocks with Petrobras)

~ Avg. 500 MMBOE gross potential  
per prospect

2 - 4 BBOE of net unrisked resource  
potential

2008 plans:

- 3-D seismic over 4 concessions
- BM-C-30: Drill exploration well
- Mobilize Deepwater Discovery drill ship to Brazil late 2008 / early 2009

# International

## Devon China - Building Success



Valued government & NOC relationships

Solid production base in Panyu

Development

Developed in collaboration with NOC talent

- Exploration (turnkey drilling)
- Evaluation
- Development

Utilized NOC's FPSO construction & operator experience

Positioned for growth in emerging energy markets

# International

## Devon China - Building Success



Exploring on 4 licensed blocks

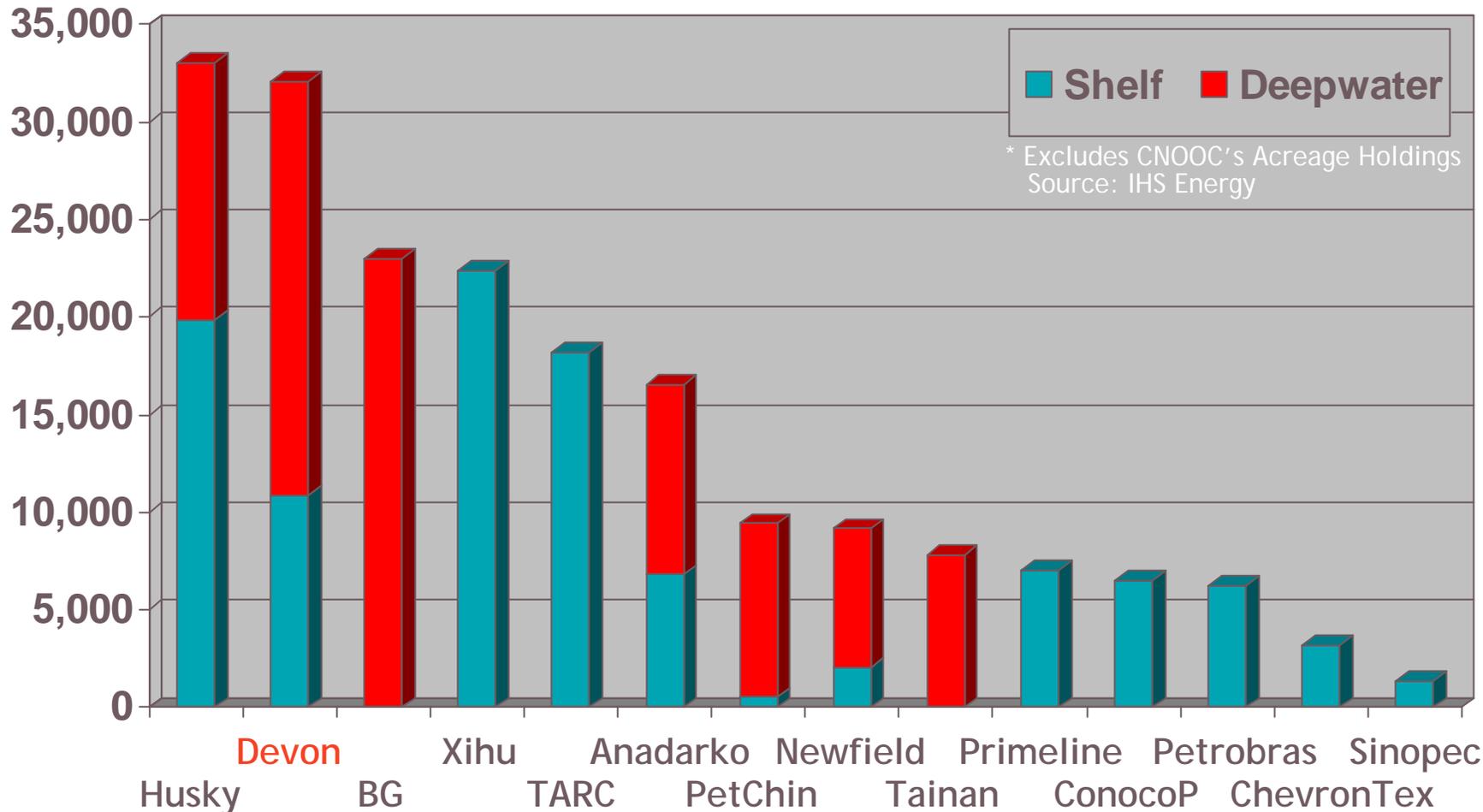
150 - 650 MMBOE gross potential per prospect

1 - 2 BBOE of net unrisks resource potential

■ 2008 Planned Exploration Activity

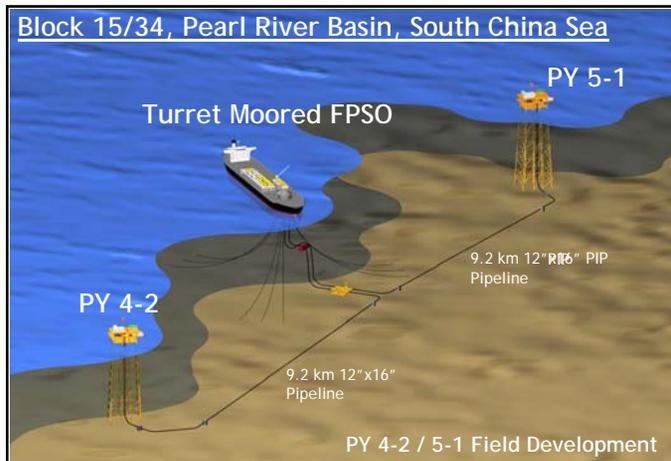
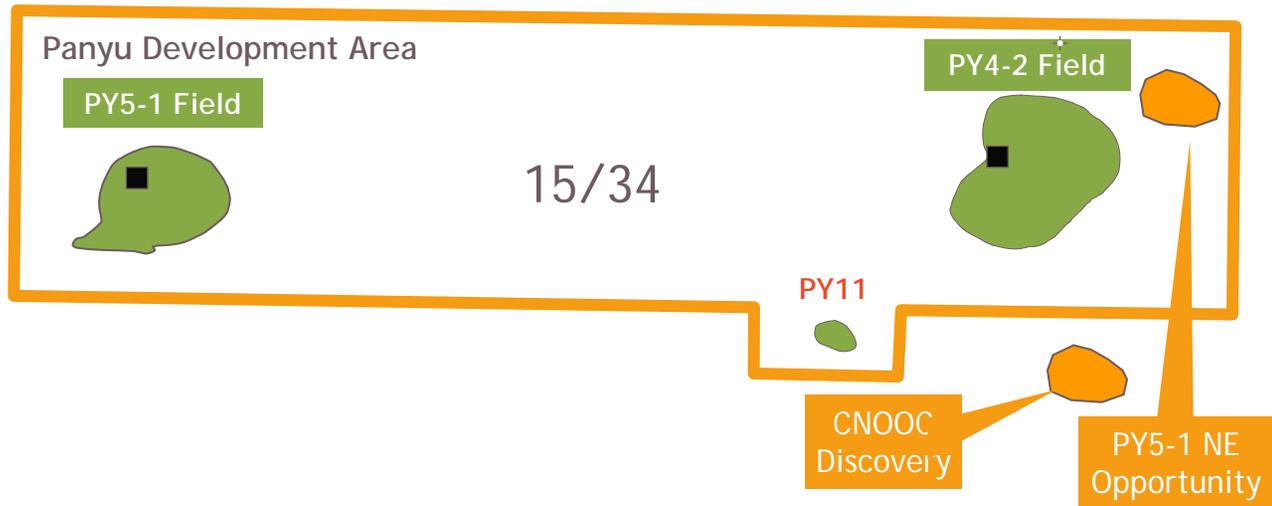
# China Offshore Acreage Position

Gross km2



# China - Block 15/34

## Panyu Development



Working interest: 24.5%  
Producing wells: 39 wells on line

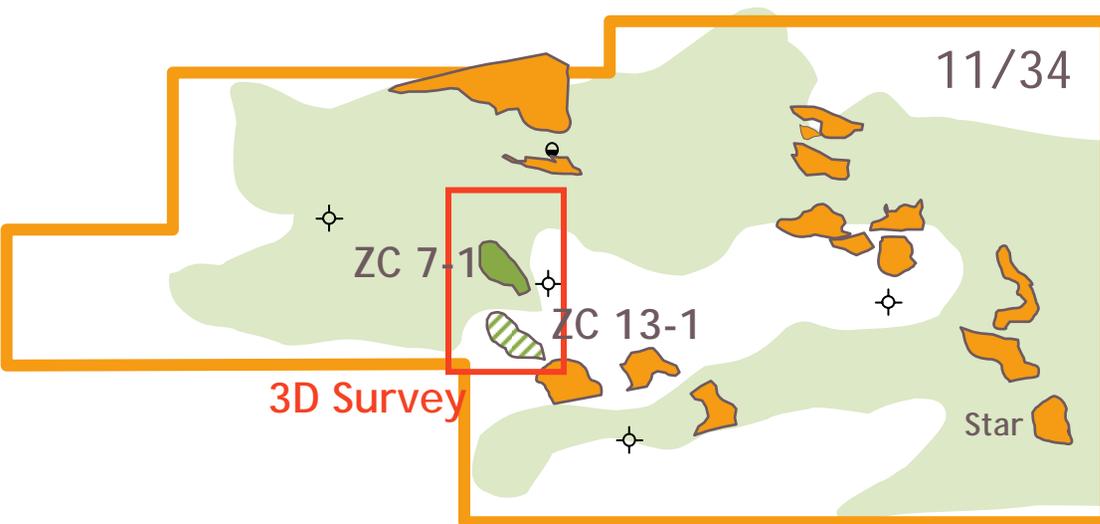
Current production:  
Gross: 63 MBOD  
Net: 15 MBOD  
Horizontal well application

# China - Block 11/34



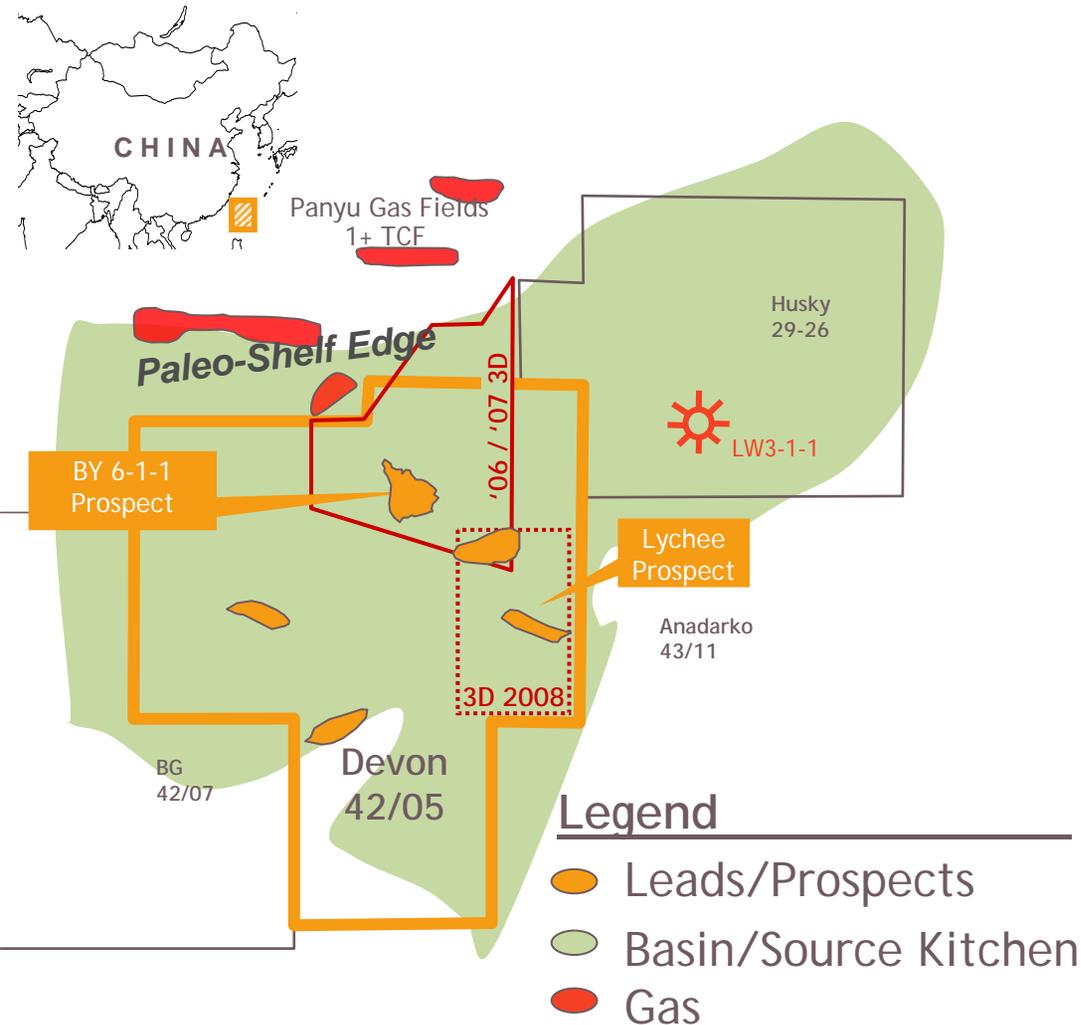
## Legend

- ZC 7-1 Prospect
- ZC 13-1 Follow-up
- Leads
- Basin/Source Kitchen



- Yellow Sea shallow water, <100 m
- Gross acreage: 10,834 km<sup>2</sup>
- Devon WI: 100%
- Multiple prospects and leads identified
- Resource potential: 240MMBOE
- 2008/09 Plans: drill ZC 7-1

# China - Block 42/05



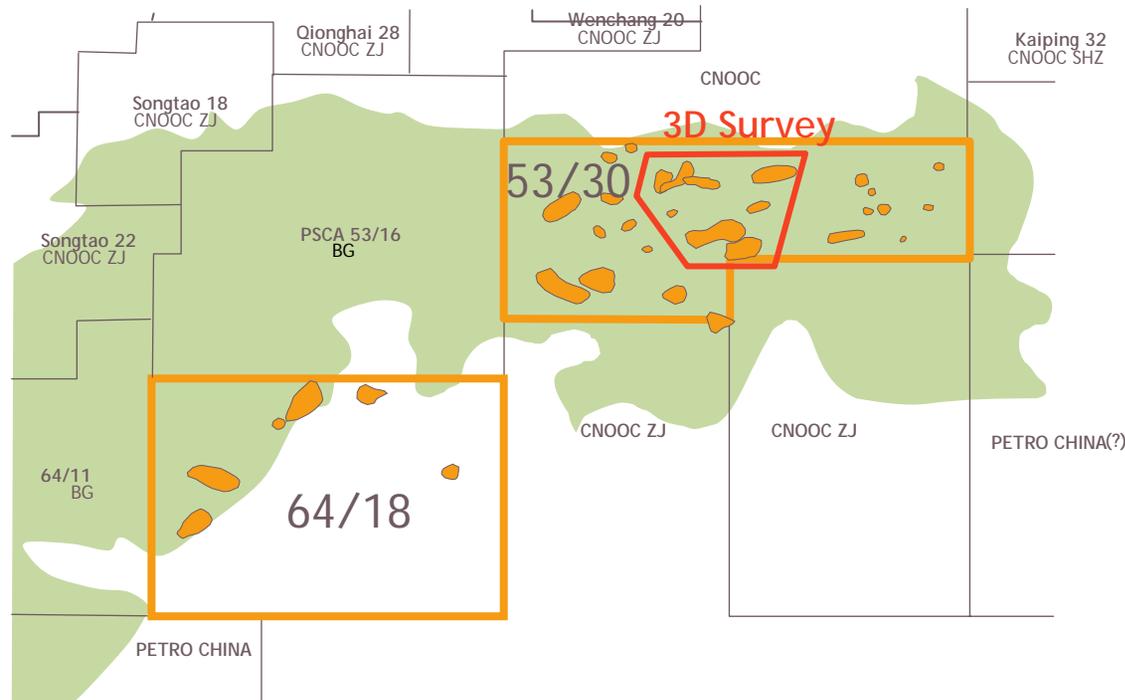
- South China Sea deepwater, 600-1,500 m
- Gross acreage: 6,938 km<sup>2</sup>
- Devon WI: 100%
- Gas play; adjacent to Liwan gas discovery (4-6 TCF)
- Multiple prospects and leads identified
- Resource potential: 3 TCF
- 2008 Plans: BY 6-1-1 drilling
- Leverages Devon/CNOOC Panyu Partnership and expertise into deepwater emerging play

# China, Block 53/30 & 64/18



## Legend

- Leads
- Basin/Source Kitchen



- QDN Basin South China Sea deepwater, 1,200-2,000 m
- Gross acreage: 6,313 Km<sup>2</sup> (53/30), 7,712 km<sup>2</sup> (64/18)
- Devon WI: 100%
- Multiple leads identified from 2D seismic
- Resource potential: 7 TCF
- 2008 plans: acquire seismic

# Summary

## Devon and China - A Win-Win

- Good communications and cooperation through relationships
- Experience
- Intellectual capital
- Technology
- Collaborative business approach

Thank you.